

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 25, 2013

Item 40, Report No. 32, of the Committee of the Whole, which was adopted, as amended, by the Council of the City of Vaughan on June 25, 2013, as follows:

By receiving Communication C13 from the Manager, Property Tax and Assessment, dated June 21, 2013.

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**REQUEST FOR DONATION
VENETO CENTRE INC.
7465 KIPLING AVENUE
WARD 2**

The Committee of the Whole recommends:

- 1) That the request from the Veneto Centre Inc. be refused; and**
- 2) That the report of the Commissioner of Legal & Administrative Services/City Solicitor and the Director of Legal Services, dated June 18, 2013, be received.**

Recommendation

The Commissioner of Legal & Administrative Services/City Solicitor and the Director of Legal Services recommend:

1. That Council provide direction regarding request from the Veneto Centre Inc.

Contribution to Sustainability

This report is consistent with the priorities previously set by Council in Vaughan Vision 2020, Strategic Plan 2020 Preserve our Heritage and Support, Diversity, Arts and Culture:

- Develop a strategy to increase support for and the promotion of the arts and culture in the community.

Economic Impact

Should Council decide to donate the City's portion of the lease revenue from the telecommunication tower to Veneto Centre Inc., the City will lose \$5,500/year revenue for 4 years (2013-2017) for a total of \$22,000.00. This amount does not include revenues for two renewal terms which have not yet been determined.

Communications Plan

The Veneto Centre Inc. will be advised of Council's decision by letter following the next Council meeting.

Purpose

The purpose of this report is to report pursuant to direction of Committee of the Whole on June 11, 2013 regarding a request from the Veneto Centre Inc. to donate the City's portion (\$5,500/year for 4 years) of the telecommunication tower lease payments collected for 7465 Kipling Avenue.

Background - Analysis and Options

On June 11, 2013, Committee of the Whole requested a report on the status of the request by the Veneto Centre for a donation.

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In 1985, the Ontario Ministry of Government Services (now Infrastructure Ontario) leased land to the City, municipally known as 7465 Kipling Avenue, south of Hwy 7 for a term of 50 years to be used for public recreational purposes. A portion of these lands (about 51 ac) were licensed to the Federation of Veneto Clubs of Ontario (now Veneto Centre Inc.) for the purpose of building a recreational and social facility, shown on Attachment #1.

In 1997, all parties agreed to allow the erection of a telecommunication tower, by Rogers Wireless Inc. (then, Rogers Cantel) and entered into a license agreement. The licensed lands are described as being part of Lots 3 and 4, Concession 7, and all of Lots 108 and 109, Registrar's Compiled Plan No. 9831, and part of Lot 29, Registrar's Compiled Plan No. 9691, estimated at 10,000 square feet of land, together with an easement for cables and wires. The licensed area is shown on Attachment # 2.

The license agreement with Rogers Wireless Inc. is for a term commencing on July 1, 1997 with five (5) year renewal options until the expiry on June 30, 2027, with the right to negotiate the rental rate at every renewal period. The current annual rental rate is \$22,000.00 plus HST. The annual rental payments have been divided between the property owner, Infrastructure Ontario at 50% (\$11,000.00), and 25% (\$5,500.00) each to the City of Vaughan and the Federation of Veneto Clubs of Ontario (now Veneto Centre Inc.). In June, 2012 Council approved a renewal for a term of five years that commenced on July 1, 2012 to June 30, 2017 at the current annual rental rate noted above.

The Veneto Centre Inc. is a charitable, not-for-profit corporation. It is supported by a combination of donations and public funds. As an umbrella organization for member groups, it supports community and other social services. These groups include the San Marco Club, ATM (Trevisani), Veneto Tennis Club, St. Marks Child Care Centre, St. Marks Club (Northern Italian Social Club) and Next Generation Youth Group.

Request

The Veneto Centre Inc. has submitted a request asking the City to donate its share of the telecommunication lease revenue to them to assist in providing reduced rates to community groups using their facility.

In support of this request, the following information was provided by Veneto Club Inc.:

1) The community groups that are given a discount for services are:

Knights of Columbus	- A Catholic fraternal benefit society
SAVI	- Seniors Association of Vaughan Initiatives
Gruppo Eta D'Oro	- Senior's Group
Societa Femile Friulana	- Women's Senior's Group
Weston Pentecostal Church	- 2 events yearly
New Life Christian Church	- 1 event yearly
Gruppo Donne	- Women's Social and Card Club

The basic fee for park rental is over \$3,000 per use average. Based on size, the SAVI group would be charged about \$3,700.00 but paid only \$1,356/year including taxes for the last 2 years. The remainder of the above groups are paying \$500.00 for one event yearly. Veneto representatives have stated that they are reducing rates at about \$15,000 to \$20,000 per year in total. Staff are aware that the SAVI group uses the facilities and has been told the fee will remain the same for now.

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- 2) Educational seminars and events are held to engage the community and promote understanding of the culture.
- 3) A Terra di Mezzo (a cultural group) function was held free of charge costing the Veneto Centre Inc. about \$5,000.00 in lost revenue and this function is being held again in June, 2013.

Veneto Centre Inc. are committed to continuing the discounts for the above groups, but do not intend to reduce any other rates if the City gives them its share of the revenue. Further, Veneto stressed that their organization is promoting community and social services which benefit the City by preserving our heritage and supporting culture.

Analysis

In response to this submission, staff note that the organization includes several cultural groups and the facility is available to other community groups. Since 1984, the Veneto Centre Inc. has grown and has advised that it invested over \$3.5 Million to improve the site and erect buildings and contributed to the social and cultural environment of the City.

There are no specific policies or criteria to support the donation of the City's lease revenue to a community group. In the case of the City leasing property, the Disposal of Property By-law enables Council to lease for less than market value or at a nominal rate provided that it is justified on the basis of benefits accruing to the community and the City in terms of meeting economic, financial, community or recreational objectives.

In this case, Veneto Centre Inc. is providing reduced rates for the use of their facilities to community groups. The continuation of this service facilitates culture and social gatherings.

Options

The City has the following two options for consideration:

Option #1 – Donate the City's Revenue

The City is receiving \$5,500 for the term of 5 years commencing July 1, 2012 until June 30, 2017 from Roger's Wireless Inc for a license agreement for a telecommunication tower on the lands subleased to Veneto Centre Inc. There is \$22,000.00 in revenue due for the remainder of the term.

While there are two renewal terms remaining in this lease, this request is not for the future renewal terms. Staff recommend that Council not deal with the two remaining renewal terms at this time.

The Veneto Centre Inc. notes that the reduced rates benefit the City by providing a service that encourages and promotes preservation of the heritage and community culture.

Staff note that this is a unique situation and there are no other similar lease arrangements involving split revenue. Therefore, it will not affect any other existing leases.

Option #2 – Refuse the Request

The City would retain the rental income.

The City may wish to refuse the request as this may prompt other groups to seek "donations" from the City as well. Once the request is granted, it will be difficult to start collecting revenue in the future from Veneto for the renewal terms.

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Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council.

Regional Implications

Not Applicable

Conclusion

The Veneto Centre Inc. organization, a charitable/ non-profit corporation has requested that the City donate its share of revenue (\$5,500/year for a total \$22,000.00) from the telecommunication tower lease at 7465 Kipling Avenue to them.

In the current agreement, for the term of July 2, 2012 to June 30, 2017, the rent collected is being split three ways: Infrastructure Ontario (50%) \$11,000; City of Vaughan (25%) \$5,500.00 and The Federation of Veneto Clubs of Ontario (now Veneto Centre Inc.) (25%) \$5,500.00.

The Veneto Centre Inc. believe this donation will assist in the continuation of reducing rates for various community groups thereby promoting the preservation of culture and increase in community involvement.

Attachments

Attachment #1 – Location Map

Attachment #2 – Site Plan

Report prepared by:

Liana Haughton, Senior Manager of Real Estate

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)